

# AllenCo Energy, Inc.

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January 24, 2014

VIA FIRST CLASS MAIL

Jared Blumenfeld  
United States Environmental Protection Agency  
Region IX  
75 Hawthorne Street, ORA-1  
San Francisco, CA 94105-3920

Re: Re: Finding of Violations, Section 112(r)(1) of the Clean Air Act & Section 311 of the Clean Water Act

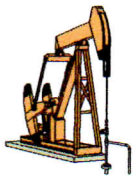
Dear Mr. Blumenfeld:

AllenCo Energy Inc. ("AllenCo") is in receipt of your January 15, 2014 letter regarding "Finding of Violations, Section 112(r)(1) of the Clean Air Act & Section 311 of the Clean Water Act" ("the Letter").

In the Letter you request a "written response by the close of business January 27, 2014, stating whether AllenCo intends to comply with the General Duty Clause and SPCC requirements and proposing a time frame in which to do so." As it has since its acquisition of the facility in 2009, AllenCo has, and will continue to comply with all applicable local, state and federal regulations, including the General Duty Clause and SPCC requirements.

AllenCo received your Letter on January 21, 2014, less than one week before this requested response. Since that time AllenCo has been diligently investigating the allegations. Even though AllenCo disputes whether a violation has occurred, AllenCo nevertheless has retained consultants and independent contractors to assure compliance. As AllenCo is still in the process of investigating the EPA's allegations, it cannot provide a precise timeframe at this point. However, AllenCo will be prepared in the coming weeks to discuss a timeframe after its investigation of the alleged violations is complete.

Since it acquired the operations at 814 West 23<sup>rd</sup> Street in 2009, AllenCo has invested substantial amounts, above and beyond its legal and regulatory obligations, amounting to approximately \$1,500,000.00 to make improvements and modifications to update and modernize the facility. As you know, in response to complaints alleging odor was emanating from the facility, on November 22, 2013, AllenCo *voluntarily and temporarily* shut down its operations, although it was under no legal



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obligation to do so, and has substantially completed further improvements as noted above with a view towards re-starting operations in the near future. AllenCo intends to continue its tradition of good corporate citizenship and looks forward to working with the EPA in the coming weeks.

Sincerely,

A handwritten signature in blue ink that reads "Tim Parker". The signature is fluid and cursive, with the first name "Tim" and last name "Parker" clearly distinguishable.

Tim Parker  
Executive Vice-President in Charge of Operations  
AllenCo Energy Inc.